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DEVELOPMENT OF ECONOMY IN NORTH VIETNAM

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DEVELOPMENT OF ECONOMY IN NORTH VIETNAM

[Following is a translation of two articles from Nhan Dan (The People), Hanoi, official organ of the Vietnam Labor (Communist) Party. Date of issue, page, and author are given under individual article headings.]

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I. TWO REGIMES, TWO BUDGETS

No. 2221, 17 April 1960
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Tran Nguyen

Our National Assembly has approved the Government budget for 1960. A few months ago, the puppet "national assembly" of the South also voted on the budget of the Diem clique.

How do the budgets of the two regimes differ?

With regard to income, the larger part of our Government's revenue is collected from industrial and professional enterprises. This source of income accounts for 50.8% of the 1960 budget. If the taxes of the state-owned enterprises are included, this source comprises 76.2% of the amount collected within the country. The amount collected as taxes comprises only 25% of the budget, including the taxes on the state-owned enterprises. Taxes levied directly on the people account for only 9.9% of the total amount collected within the country.

How about the sources of income for the budget of the South? Taxes comprise 53.8% of the total budget, and these are mainly taxes which bear directly on the people. Of the amount collected internally, taxes comprise nearly 82%.

With regard to expenditures, our budget indicates clearly that 54.1% is to be spent on basic construction, which is 41% more than in 1959. If we include the portion to be used as capital for the state-owned enterprises and other economic operations, the appropriation for construction and development amounts to about 60% of the total budget. Only 24.5% (as compared to 25.5% in 1959) is apportioned for defense and administration. The portion for cultural and social purposes amounts to 13.8% of the total (as compared to 12% in 1959).

What about the South's budget? The Ministry of National Defense gets 40.39%; the Ministry of the Interior, 13.7%, almost all of which is spent on the various branches of security guards, watchmen, police, military police, civil defense, and prison camps! The Ministry of Communications and Public Works receives 8.83%, most of which is also spent on fortifications, development of strategic roads, and the building of additional military airports and seaports. The Office of the President and its subordinate units receive 5.35% of the budget, most of which is actually reserve appropriation for the secret police and psychological warfare. Thus, if we total the expenditures for the national defense, communications and public works, security guards, civil defense, military police, guards, and secret police, the expenditures for military aggrandizement, terror, and warmongering amount to nearly 70% of the South's overall budget. At the same time, a mere 2.07% of the budget is allocated for economic expenditures, and 8.5% for social and cultural development. And it should be noted that most of this 8.5% is for "anti-communist" youth activities.

From our comparison of the two budgets, we may draw this conclusion: The budget of the Government of the Democratic Republic of Vietnam is for peaceful economic development and the improvement of the people's welfare. This budget reflects the benevolent nature of our government. But the budget of the Ngo Dinh Diem organization is allocated for anti-democratic purposes of a ferocious warmongering exploitation and corruption. It also clearly reflects the malevolent nature of the American-Diem regime.

II. TO RAISE PRODUCTIVITY AND TO LOWER COSTS ARE THE PRIMARY OBJECTIVES OF INDUSTRIAL ENTERPRISES AND CONSTRUCTION CAMPS

No. 2230, 26 April 1960
Page 3

Le Thanh Nghi

Increased productivity and lowered costs, the essentials of development of the productive force in a socialist society, represent the foundation from which the ever-increasing material and cultural needs of the people can be fulfilled.

For this reason, the Central Party, the Government and Chairman Ho constantly urge us to struggle unceasingly for increased productivity and lowered costs. The fourth conference of the Central Party decided: "In every undertaking, we must strive to calculate expenditures precisely, organize and carry out our tasks sensibly, increase productivity diligently, and try to economize."

Carrying out the directive of the Party and the Government, the state-owned industrial branch has made many noteworthy improvements during the past few years. Among the productive enterprises of the Ministry of Industry, comparing 1957 to 1958, productivity rose 24.9%, while costs dropped 3.57%; comparing 1958 to 1959, productivity rose 16% and prices dropped 2.1%. In the transportation branches, as well as the basic construction camps and the geological survey teams, there have also been many marked advances toward increasing productivity and decreasing costs. All these accomplishments have great significance for the building of Socialism.

The rapid development of Socialist productivity is attributable to the increase in production as well as the increase in productive force. In the two years of 1958 and 1959, the industrial branch increased the volume of production considerably; of this progress, 60% was attributable to increased productivity, and 40%, to the increased number of workers. This fact shows clearly that increased productivity is the essential source of the improvement and a limitless resource for the development of Socialist production.

Lowering costs is a great source of savings for building Socialism and improving the life of the people. For the past several years, two-thirds of the increase in savings has been due to lowered costs.

This year, if we are able to reduce production and construction costs by 1.5%, the funds thus saved would be enough to build two match and wood-processing plants.

In the field of economic planning, a constant increase of productivity is the basic factor for reducing costs of goods and construction. Only by raising productivity is it possible to reduce the cost of manpower and material which are the two chief factors contributing to the cost of goods and construction. In 1958 and 1959, 40% of all cost reductions in the industrial branch were due to increased productivity.

Higher productivity and lower costs in industry are the basic conditions for raising the wages of workers and supervisors, reducing prices of goods, increasing the real income of workers and supervisors, and continuous raising of the material and cultural standards of the working people.

The speed with which productivity is increased and costs are lowered is not only an index of economic progress, but also a mark of the superiority of Socialism. Only when the working class becomes the master of society, working for society and for itself, can manpower and materials be sensibly used, and the rate of production-increase and cost-decrease forge ahead on the basis of improved technique and re-organization of production and labor. From 1913 to 1957, productivity in the USSR increased 950%, while in America it increased 228%, in France, 201%, and in England, only 140%. For every industrial enterprise and construction camp, increased output and lowered costs are the material index by which each unit must gauge the final results of every political, technical, or economic task.

In 1960, the industrial branch has the task of trying to increase its production 26.4% over 1959, increasing by 60% the volume of basic construction, and doubling the amount of geological exploration. This task can be accomplished in no other way except to concentrate every effort on finding means to increase productivity and reduce costs. This is the best method to assure successful, complete execution of the Government's 1960 plan.

In reviewing the project summary for 1959, we note that while the industrial branch has made progress fairly fast in some aspects, there are still many difficulties and shortcomings. As a result, productivity is still low and costs are still high compared with what they could be. Waste of manpower, materials and machine power, is still widespread.

Efficiency in using the machines and equipment to full capacity has increased but is still poor. The mineral branch has been operating at 53% of capacity; the non-metallic ores branch, 52%; the construction materials branch, 60%; the new electric power plants, 20%; the textile branch, 52%; the paper branch, 70%; and the drilling machines of the geological branch have also been operating at only 35% of capacity, more or less. In the basic construction camps, we have achieved only 50% efficiency in the use of heavy machinery, and 80% in light machinery.

The number of days actually spent on the job by the workers are still too few. The amount of leave taken by the workers is still higher than was decided on. The output of contract worker is 15% to 30% higher than that of day workers, although there are fewer contract workers. They represent only 14% of all the workers in the industrial branch, and one-third of the workers in the construction camps. The number of indirect workers can still be reduced, since for every five persons producing directly there is one producing indirectly.

There is still waste in the use of raw material, fuel, and other materials. The Nam Dinh textile factory cut cost 1.81% by reducing the amount of cotton used 2.7%, but the cost of other auxiliary materials, such as leather tips, shuttles, treadles, etc., went above the planned level. Tobacco cost was cut 1%, but purchase of the principal raw material and other materials were 10% more. Cement cost was cut 1.14%, but all the materials except clay were 2% to 5% more. Apatite cost was lowered by 18.94%, but the use of explosives was 19%, and fuel oil 29% over the planned level. In general, we can still economize in many materials, such as coal in the electric power plants, firewood and explosives in the mines, and electricity in the factories.

The amount of waste in the construction camps is still greater. For example, the quantity of wood, bricks, gravel, sand, cement, etc. used is greater than that decided upon by the Government.

The above shortcomings have adversely affected the raising of productivity and the lowering of costs. The reasons for this situation are:

1. Our cadres, party members, and workers have not yet fully recognized the importance of this matter of raising productivity and lowering costs. They have not yet made it an objective of the production struggle and construction struggle. The cadre leaders have failed to educate the masses sufficiently. They have not devised concrete methods for leading the workers in raising productivity and lowering costs. When supervising projects, the cadres have a tendency to say, "If the government wants to raise productivity and lower costs, it will have to supply more money, more machinery, more men, and make more cars and equipment." The cadres give little thought to utilizing what they already have to full capacity. Although to strengthen the labor force by increasing expenditures for manpower and material will increase production, on the other hand, this will decrease productivity and boost costs. Thus still failing to carry out the slogan, "more, faster, better, cheaper."

2. We still have many failings in the management of production and construction. On the technical side, we are still not operating machinery and equipment properly. We have yet to set up technical rules and regulations, to determine technical standards, or to decide what is economical. Machines still stand unused for too many hours. In the use of manpower, we still do not make sensible labor assignments, and still have not enlarged the proportion of contract labor. In the use

of raw materials and other materials, we do not regulate them carefully, or undertake to search for substitutes which might serve better, or plan to reduce the amount of waste.

3. The technical level of our cadres and workers is too low for the needs of production and construction, and for the operation of machinery and equipment now in use. Furthermore, their understanding of economic management is still poor, so that there is much confusion in the leadership of production and construction.

The task before us is to stimulate the masses to use every means to develop their capabilities and to use manpower and material more sensibly, so as to accelerate the raising of productivity and lowering costs. The factories and construction camps must make it their primary goal to educate and lead the masses in raising productivity and lowering costs in order to fulfill every phase of the Government's plan for 1960. We must fully grasp the directive:

"On the foundation of reorganized industrial management, we must mobilize the masses for intelligent production, improve techniques, use machinery to full capacity, make full use of working hours, cut down on waste of material, increase the output of material as well as service industries, thus working toward the objective of 'more, faster, better, cheaper,' for the satisfaction of the working class."

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